

FRINGE BENEFITS

FINANCIAL SUMMARY

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	FY 2007 REQUEST	GOVERNOR RECOMMENDS FY 2007
OASDHI Taxes	\$ 142,922,496	\$ 151,362,362	\$ 151,350,551	\$ 157,060,000
Missouri State Employees' Retirement System	197,303,193	244,547,352	244,169,637	255,128,000
Teacher Retirement Contributions	2,633,625	3,565,560	3,565,560	3,540,560
Deferred Compensation	11,270,537	11,199,263	11,199,263	11,541,370
Unemployment Benefits	4,189,586	3,903,691	4,603,502	4,052,996
Missouri Consolidated Health Care Plan	322,345,375	322,119,324	357,381,870	359,912,870
Workers' Compensation	22,862,854	22,178,554	22,178,186	22,178,186
Other Employer Disbursements	10,621,239	5,594,437	862,002	862,002
TOTAL	\$ 714,148,905	\$ 764,470,543	\$ 795,310,571	\$ 814,275,984
General Revenue Fund	455,603,218	475,323,434	497,076,816	508,709,495
Federal Funds	129,439,286	147,578,286	156,724,221	160,837,877
Other Funds	129,106,401	141,568,823	141,509,534	144,728,612

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CONTRIBUTION TO OASDHI TAXES

The State of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on the salaries of all state employees, with the exception of employees of the state universities and four-year colleges. These funds are transferred to a contribution fund for matching payments to the Social Security Administration.

Fiscal Year 2007 Governor's Recommendations

- \$6,533,000 for increased costs to the state for social security benefits due to pay plan, including \$3,579,000 general revenue.
- \$1,592,000 for new staff statewide, including \$431,000 general revenue.
- \$258,640 transferred from the Department of Mental Health for fringe costs for the nursing pool.
- (\$2,415,551) core reduction from the Fiscal Year 2006 appropriation level, including (\$1,111,228) general revenue.
- (\$270,451) transferred to the Department of Mental Health for fringe savings from a reduction of Bellefontaine staff.

CONTRIBUTION TO MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

The State of Missouri provides an employer funded retirement program for employees through a contribution of a specified percentage of members' wages to the Missouri State Employees' Retirement System. Included in the state's contribution is a payment per month, per eligible employee to the Missouri State Employees' Benefit Plan and a payment of long-term disability premiums.

Fiscal Year 2007 Governor's Recommendations

- \$9,994,000 for increased costs to the state for retirement benefits due to pay plan, including \$6,651,000 general revenue.
- \$4,105,000 to increase the state contribution rate as a percentage of payroll from 12.59 percent to 12.78 percent, including \$2,880,000 general revenue.
- \$2,277,000 for new staff statewide, including \$898,000 general revenue.
- \$120,061 transferred from the Department of Mental Health for fringe costs for the nursing pool.
- (\$5,417,637) core reduction from the Fiscal Year 2006 appropriation level, including (\$2,680,694) general revenue.
- (\$497,776) transferred to the Department of Mental Health for fringe savings from a reduction of Bellefontaine staff.

TEACHER RETIREMENT CONTRIBUTIONS

Section 104.342, RSMo, provides that the Commissioner of Administration shall requisition monthly and certify the payment of contributions to the Public School Retirement System (PSRS). Authority to transfer and expend these monies is required to comply with statutory provisions. Certified teachers involved are employed by the Department of Elementary and Secondary Education, Department of Mental Health, Department of Social Services, Department of Corrections, and remain members of the PSRS.

Fiscal Year 2007 Governor's Recommendations

- (\$25,000) Lottery Proceeds Fund core reduction from the Fiscal Year 2006 appropriation level.

DEFERRED COMPENSATION PROGRAM

The Missouri State Public Employees Deferred Compensation Commission was created by Sections 105.900 to 105.927, RSMo, to encourage employees to supplement the Missouri State Employees' Retirement Plan and their Social Security. Participation in the Deferred Compensation Plan doubled after the \$25 per month match was legislated in 1996. Approximately 39,000 employees qualify for the match.

Fiscal Year 2007 Governor's Recommendations

- \$270,107 to bring the Deferred Compensation appropriation in line with estimated Fiscal Year 2007 expenditures.
- \$72,000 for new staff statewide, including \$31,000 general revenue.

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DISBURSEMENT FOR UNEMPLOYMENT BENEFITS

The State of Missouri, as a governmental entity, is required to pay contributions to the Division of Employment Security as specified by law so that unemployment claims may be paid to former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or to reimburse the Division of Employment Security for actual claims paid out to former employees. The State of Missouri utilizes the reimbursement for actual claims paid option. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

Fiscal Year 2007 Governor's Recommendations

- \$699,811 State Road Fund to bring unemployment benefits appropriation in line with estimated Fiscal Year 2007 expenditures.
- (\$550,506) transferred to the Department of Higher Education for unemployment benefits for state colleges and universities.

MISSOURI CONSOLIDATED HEALTH CARE PLAN

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

Fiscal Year 2007 Governor's Recommendations

- \$36,070,716 to continue benefits for calendar year 2006 and for expected increases for the first half of calendar year 2007, including \$26,951,446 general revenue.
- \$2,531,000 for new staff statewide, including \$1,235,000 general revenue.
- \$210,406 transferred from the Department of Mental Health for fringe costs for the nursing pool.
- (\$1,018,576) transferred to the Department of Mental Health for fringe savings from a reduction of Bellefontaine staff.

WORKERS' COMPENSATION

The State of Missouri is responsible for payment of Workers' Compensation benefits to injured state employees in accordance with Chapter 287, RSMo. The payment of Workers' Compensation benefits for all state employees, excluding the Department of Transportation, the Missouri State Highway Patrol, and the University of Missouri system, is covered under this program and is administered by the Office of Administration's Division of General Services. Payments made by general revenue on behalf of employees paid from other funding sources are transferred from these funds back to general revenue. As a Workers' Compensation self-insurer, the state pays its Workers' Compensation tax and Second Injury Fund assessments based on billings received from the Department of Insurance and the Division of Workers' Compensation.

Fiscal Year 2007 Governor's Recommendations

- (\$368) transferred to the Office of Administration for statewide consolidated information technology services.

OTHER EMPLOYER DISBURSEMENTS

VOLUNTARY LIFE INSURANCE

State employees may opt to withhold funds for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by the employees.

Fiscal Year 2007 Governor's Recommendations

Continue funding at the current level.

CAFETERIA PLAN TRANSFER

The state offers a tax reduction plan for state employees. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

Fiscal Year 2007 Governor's Recommendations

Continue funding at the current level.

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OTHER EMPLOYER DISBURSEMENTS (Continued)

HUMAN RESOURCES CONTINGENCY FUND TRANSFER

This transfer section has been added to ensure that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

Fiscal Year 2007 Governor's Recommendations

Continue funding at the current level.

LEGAL EXPENSE FUND

The State of Missouri, its agencies, officials, appointees, and employees are exposed to liability in the conduct of official state business. The Office of Administration, in association with the Attorney General's Office, seeks to provide a means to fund claims and judgments against these individuals and agencies in the most cost-effective manner possible. The State Legal Expense Fund was created to pay claims against the state, its officers, and employees as provided under Section 105.711, RSMo.

Fiscal Year 2007 Governor's Recommendations

- (\$4,732,435) transferred to the Office of Administration to allow administration and disbursement of the Legal Expense Fund by the Division of General Service, including (\$4,000,000) general revenue.